

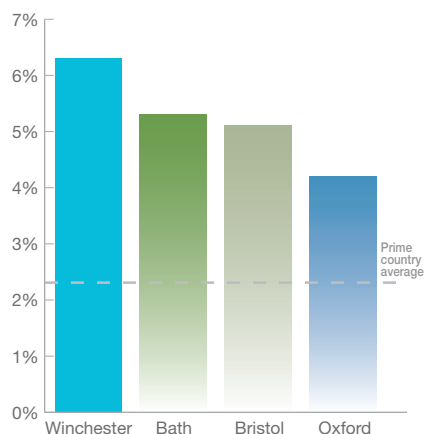
WINCHESTER FOCUS

A shortage of prime properties for sale and strong demand for homes in thriving town and city markets has contributed to rising prices in the first six months of 2015.

Prime property values in Winchester rose by 1.4% between April and June, taking the annual change in prices in the city to 6.3%.

Such price growth means that Winchester has comfortably outperformed the wider UK prime market where values have risen by 0.9% on a quarterly basis and 2.3% on an annual basis. Winchester has also registered stronger price growth than other prime city markets including Bath, Bristol and Oxford, as shown in figure 1 below.

FIGURE 1
City outperformance
Annual change in prime property values
(Q2 2014 - Q2 2015)



Source: Knight Frank Residential Research

The strength of the market is such that prices of over £500 per square foot have been achieved for the very best homes, according to Knight Frank figures.

A key factor underpinning prices in Winchester is a shortage of homes for sale. Knight Frank analysis of the market shows that the number of properties for sale in the city was 17% lower at the end of July than at the same point a

year previously. In the prime market, the number of properties for sale valued at over £500,000 was 20% lower.

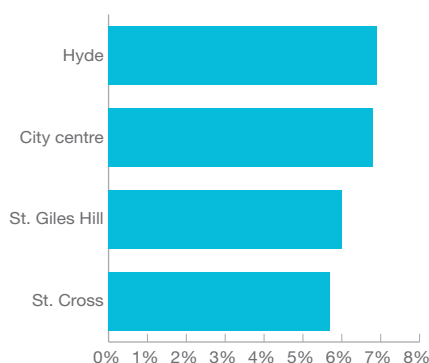
Against this backdrop, demand for property in Winchester remains widespread. As well as those moving up the ladder locally, Winchester remains popular with commuters both from the wider South East region and from London. Figures from the 2011 Census show that some 53% of people living in Winchester work outside of the city.

Buyers from the capital are also taking advantage of the price differential between property prices in London and elsewhere in the country.

But while there has been sustained price growth in Winchester over the last year, changes to stamp duty announced in December have made buyers at the top end of the market more price conscious. This has resulted in slower than average price growth for the most expensive properties in the city since the introduction of the new rates.

Meanwhile, in geographical terms, price growth has been fairly uniform across the city. Property values in Hyde and the city centre have risen by 3.2% and 3.1% respectively over the first six months of 2015, and by 6.9% and 6.8% over the past year. To the south and the east of the city centre in St Cross and St Giles Hill annual price growth of 5.7% and 6% respectively has been recorded.

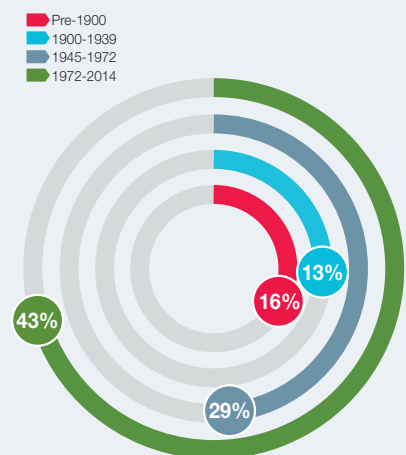
FIGURE 2
Winchester price growth by location
Q2 2014 - Q2 2015



Source: Knight Frank Residential Research

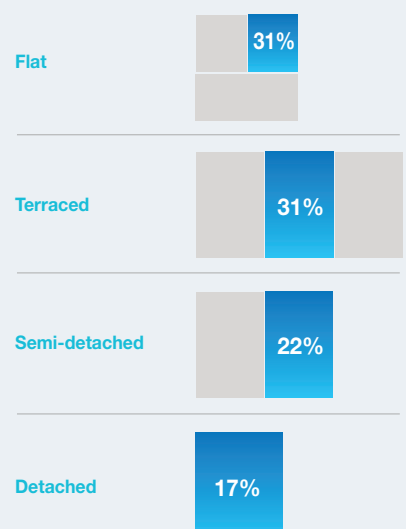
FIGURE 3
Winchester City Focus

Age of housing stock



Property type

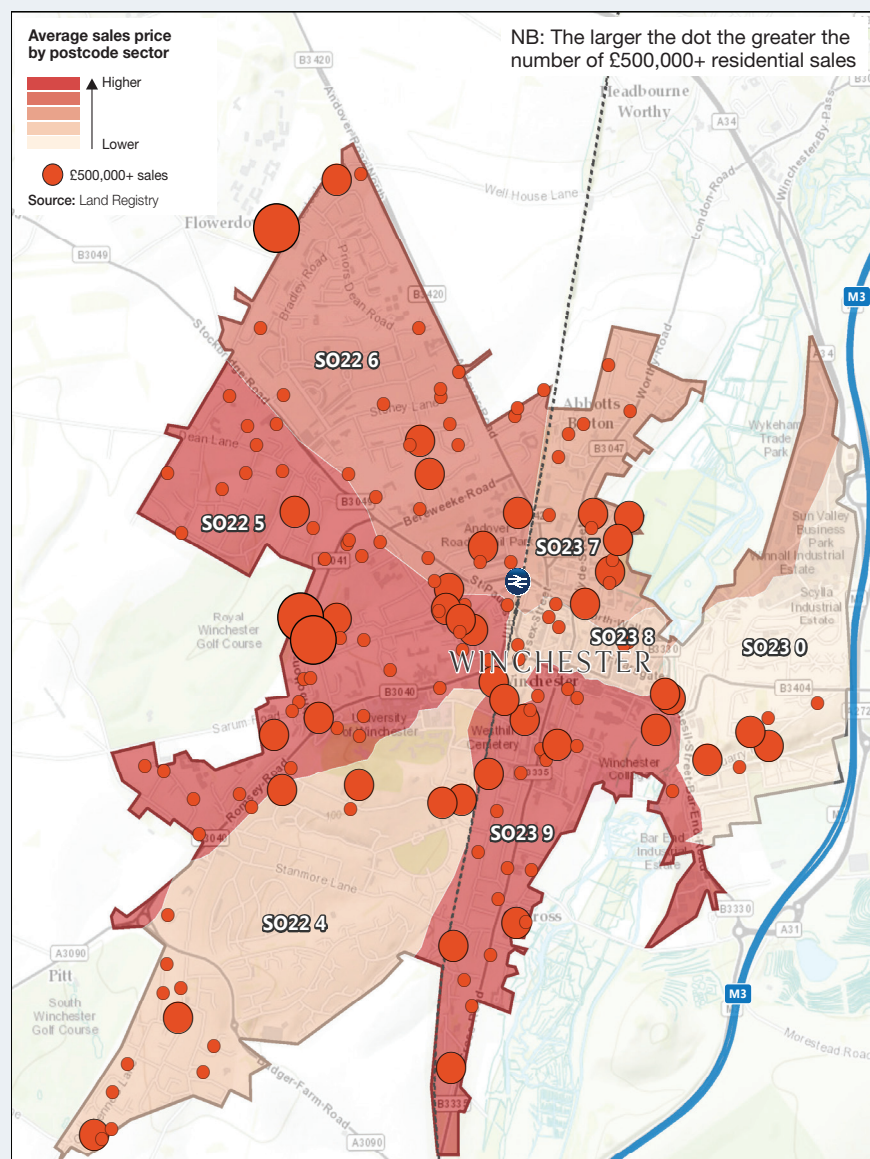
As a % of housing stock



Source: Knight Frank Residential Research / VOA
NB: Figures might not add to 100 due to rounding

FIGURE 4

Winchester city average sales price and location of £500,000+ sales (last 12 months)



Source: Knight Frank Residential Research/Land Registry
Sales are grouped at the centre of the respective postcode sector

There were over 200 sales with a value of £500,000 or more in Winchester over the 12 months to June, 23% higher than the previous 12 months, according to data from the Land Registry. The map to the left identifies the hotspots for prime sales in the city, with larger dots, such as those close to the station, representing clusters of prime sales.

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Winchester City Index

Date	12 month % change	6 month % change	3 monthly % change
Jun-14	-	-	1.7%
Sep-14	-	3.3%	1.6%
Dec-14	-	3.3%	1.6%
Mar-15	6.6%	3.2%	1.6%
Jun-15	6.3%	3.0%	1.4%

Source: Knight Frank Residential Research